

OPERATING AGREEMENT

AGREEMENT made the 22 day of July, 1986.

BETWEEN: CANADA MORTGAGE AND HOUSING CORPORATION
hereinafter called "CMHC"

- and - YUKON HOUSING CORPORATION
hereinafter called "YHC"

WHEREAS the Government of Canada ("Canada") and the Government of Yukon ("the Yukon") have entered into a Global Agreement on Social Housing ("the Global Agreement") dated the 20 day of June 1986 enabling the parties thereto to share the cost of any social housing programs or initiatives which they wish to foster jointly;

AND WHEREAS Canada and the Yukon have agreed in the Global Agreement to cause this Operating Agreement to be entered into for the purpose of carrying into effect the principles of the Global Agreement;

AND WHEREAS the Global Agreement applies to programs delivered through housing agencies defined in this Agreement;

AND WHEREAS CMHC and YHC are housing agencies of Canada and the Yukon respectively.

NOW THEREFORE THIS AGREEMENT WITNESSETH that the parties hereto, in consideration of the mutual covenants hereinafter contained, agree each with the other as follows:



1. DEFINITIONS

- (a) The definitions contained in the Global Agreement shall apply to this Agreement.
- (b) "Act" means the National Housing Act.
- (c) "Active Party" means the party responsible for the delivery and administration of a program.
- (d) "Adjusted Income" means adjusted household income as described for each program in Schedule A.
- (e) "Administration" means all activity associated with a given program after a project's Interest Adjustment Date or commencement of subsidy assistance, including loan, project and agreement administration.
- (f) "Affordable dwelling" for purposes of determining Core Housing Need means a dwelling for which basic shelter costs are less than 30% of a household's income, as defined in 1 (s).
- (g) "Average market rent" means average basic shelter costs in a specific geographic area for unsubsidized, non-farm, rental dwellings where rent is reported as greater than zero and where no rent is attributable to commercial space.
- (h) "Basic shelter costs" for homeowners for purposes of determining Core Housing Need means the following costs associated with a household's principal residence:
 - mortgage payment of principal;
 - mortgage payment of interest;

- property taxes;
- payments for oil, gas, coal, wood or other fuels;
- payments for electricity;
- payments for water, sewerage and related costs;
- payments for regular maintenance and repair.

"Basic shelter costs" for renter households for purposes of determining Core Housing Need means the following costs associated with a household's principal residence:

- rent;
- payments for oil, gas, coal, wood or other fuels, electricity, water, sewerage and related costs.

- (i) "Budgetary Expenditures" means transactions which affect the deficit or surplus of the Governments of Canada or the Yukon including subsidy assistance, net operating losses, loan forgiveness or recovery of non-budgetary expenditures and administrative expenditures.
- (j) "Commitment" means a written undertaking to finance or subsidize a specifically identified unit or project and to incur budgetary or non-budgetary expenditures related thereto.
- (k) "Cost-Sharing" means the sharing between Canada and the Yukon of the eligible program costs covered by this Agreement according to the terms, conditions, frequency of payments and method or methods of calculation as set out in this Agreement and in Schedule A.
- (l) "Crowded dwelling" means a dwelling with more than one person per room with the exception of bathrooms, halls,

pantries and closets, and any rooms used for business purposes; all rooms in the dwelling considered separate by the household are counted.

- (m) "Delivery" means all activity associated with a given program prior to a project's Interest Adjustment Date or commencement of subsidy assistance. This includes direct dealings with clients or the overseeing of a sponsor or delivery agent who deals directly with the client.
- (n) "Federal Assistance" means a contribution, grant, subsidy, interest free or interest reduced loan or forgivable loan made by CMHC for the purposes of this Agreement.
- (o) "Financing Interest" means the interest charges on net disbursements made by the Active Party on behalf of the other party.
- (p) "Global Agreement" means the enabling document referred to in the recitals above and signed by Canada and the Yukon on 1986.
- (q) "Housing Agency" means CMHC, YHC, or any municipality, non-profit corporation or Native organization with whom CMHC or YHC may enter into agreements to carry out any program or initiative covered by the Global Agreement and this Agreement.
- (r) "Inadequate dwelling" means a dwelling needing major repairs or lacking basic facilities. Major repairs include, but are not limited to, defective plumbing, defective electrical wiring, structural repairs to walls, floors, ceilings. Basic facilities are hot and

cold running water, an indoor toilet and a bathtub or shower.

- (s) "Income", for purposes of determining Core Housing Need, means total income (before tax) from all sources for all persons in the household 15 years of age and over, as defined by Statistics Canada in its most recent Household Income, Facilities and Equipment data base documentation.
- (t) "Native" means Metis, non-status Indian, Indian as defined in the Indian Act, or Inuit.
- (u) "Non-Budgetary Expenditures" means transactions which will be reflected in the accounts of Canada or the Yukon as an increase or decrease of assets and which will not increase or decrease their surplus or deficit. This includes loans or investments.
- (v) "Planning and Monitoring Committee" means the committee cited in the Global Agreement and described in section 6 of this Agreement.
- (w) "Priority Groups" means all those households in Core Housing Need, as defined in the Global Agreement.
- (x) "Renovation" means any work undertaken on an existing dwelling, including repair, rehabilitation, improvement or conversion of the dwelling.
- (y) "Rural" means rural areas or communities having a population of 2500 persons or less, unless otherwise specified in Schedule A.

- (z) "Special purpose housing" means hostel or self-contained housing, used as a principal residence, which includes on-site care services and facilities, excluding food, related to residents' common physical, social and emotional condition or disability.
- (aa) "Suitable dwelling" for purposes of determining Core Housing Need, means a dwelling which can accommodate a household according to the following household size/dwelling size relationship: 1 person - studio; 2 people - 1 bedroom; 3-4 people - 2 bedrooms; 5 or more people - 3 or more bedrooms.
- (bb) "Territorial Assistance" means a contribution, grant, subsidy, interest free or interest reduced loan or forgivable loan made by the Yukon or its municipalities for the purposes of this Agreement.
- (cc) "Urban" means communities having a population of more than 2500 persons, unless otherwise specified in Schedule A.
- (dd) The definitions contained in the Act shall apply to this Agreement.

2. SCOPE OF THE OPERATING AGREEMENT

- (a) The recitals herein shall form an integral part of this Agreement.
- (b) This Agreement applies to the acquisition, development, construction, renovation and provision of projects; assistance for households; and to the delivery and administration of programs covered herein.

(c) This Agreement applies to all new commitments made under the following programs and any future programs of CMHC and YHC which are consistent with the goals and objectives of the Global Agreement and are agreed to between the parties:

- Non-Profit Housing Program
- Rent Supplement Program

(d) The Global Agreement enables either party to initiate or develop new programs which may be cost-shared by them with the approval of the other party. Whenever Canada or the Yukon decide to initiate a new program which is to be cost-shared they shall provide a description of such program to be included as part of Schedule A to this Agreement. This Schedule shall be duly reviewed and, once approved, signed by YHC and CMHC and will include further details such as administrative and financial arrangements, and other program details which are necessary.

3. FEDERAL RESPONSIBILITIES

(a) Within the limits of approved budgets CMHC agrees:

- i) to insure loans made by approved lenders for capital financing for housing projects under Part I of the National Housing Act;
- ii) to make loans available under Section 37.1 of the Act for proposal development funding;
- iii) to make contributions pursuant to Section 56.1 of the Act to eligible contribution recipients to enable them to meet the costs of rental accommodation and reduce the rentals thereof.

- (b) All loans, contributions and other assistance referred to in subsection (a) shall be subject to the provisions of the Act, this Agreement and the Global Agreement.

4. CONDITIONS FOR TERRITORIAL DELIVERY AND ADMINISTRATION

- (a) YHC may assume responsibility for the delivery and administration of any program covered by this Agreement, subject to the fulfillment of the following conditions for such programs which it delivers and administers. It is understood that YHC shall assume responsibility for on-going program administration for any program which it delivers.
 - i) The Parties shall share the eligible program costs, as set out in Schedule A, for such programs which are covered by this Agreement.
 - ii) YHC shall direct assistance under such programs to eligible clients for each program as specified in Schedule A. Over any three-year period YHC may direct no more than an average of 10 percent of the Yukon's total allocation for the Non-Profit Housing, Rural and Native Housing Homeownership and Rental, Urban Native Non-Profit Housing and Rent Supplement Programs to special purpose housing.
 - iii) YHC shall deliver and administer such programs in accordance with the Act, the Regulations thereunder, the provisions of Schedule A and mutually agreed upon guidelines for each program.

iv) YHC shall participate in a joint planning process with CMHC, and shall provide on a timely basis all information outlined in this Agreement and Schedules A and C to ensure program objectives and accountability of both the federal and territorial governments, including financial requirements, are met.

v) YHC shall ensure access to delivery of such programs by sponsors, delivery groups or agents specified in Schedule A for each program.

(b) The above does not preclude, with the agreement of both parties, delivery and administration of programs by CMHC where those programs are cost-shared by YHC.

5. RESPONSIBILITIES OF THE ACTIVE PARTY

(a) The Active Party agrees:

i) to establish and implement program procedures, and to deliver and administer programs in an efficient and effective manner;

ii) to undertake, inter alia, the assessment of project feasibility, project selection, project development, inspection, certification of project commitment, client selection, development of occupancy guidelines, verification of occupant incomes, approval of project annual operating budgets, calculation of eligible project costs, and loan, subsidy and project administration.

- (b) The Active Party shall be responsible for ensuring the program objectives and guidelines are met, consistent with the conditions covered in Section 4 of this Agreement.

6. PLANNING AND MONITORING COMMITTEE

- (a) CMHC and YHC shall establish a Planning and Monitoring Committee which they shall chair jointly.
- (b) CMHC's co-chairperson shall be the General Manager, British Columbia and the Yukon Region, and YHC's co-chairperson shall be the General Manager of YHC.
- (c) The Committee shall meet no less than four times annually and shall meet at the call of either co-chairperson.
- (d) The mandate of the Planning and Monitoring Committee shall be to conduct the joint planning process described in Section 7 and to monitor the implementation and achievements of the three-year plan.
- (e) The functions and responsibilities of the Planning and Monitoring Committee shall include:
 - i) reviewing the three-year plan prepared by YHC for those programs where YHC is the Active Party, in accordance with the provisions of Section 7;
 - ii) reviewing the three-year plan prepared by CMHC for those programs where CMHC is the Active Party, in accordance with the provisions of Section 7;

- iii) proposing revisions to the consolidated three-year plan;
- iv) reviewing on a regular basis the progress during the year of the implementation of the plan, including budgetary and non-budgetary expenditures and their related cash flows;
- v) undertaking a thorough annual analysis of the achievement of the objectives set out in this Agreement and put into effect through the three-year plan;
- vi) reviewing and following-up on operational audit plans and recommendations;
- vii) proposing modifications to the programs covered by this Agreement, and to program guidelines including adjustments to market rents and Maximum Unit Prices;
- viii) monitoring conformity with the provisions for publicity and information outlined in Section 17 of this Agreement;
- ix) providing a forum for the sharing of information resulting from research, studies, surveys and other activities;
- x) monitoring compliance with the Global Agreement and this Agreement, including the identification of contentious issues or failure to comply with the terms and conditions of both Agreements;

- xi) such other functions and responsibilities as the parties may mutually agree upon.

7. JOINT PLANNING PROCESS

- (a) YHC and CMHC shall undertake a joint planning process for the purpose of developing an ongoing three-year plan which identifies the most cost-effective and appropriate social housing strategy to meet the objectives of the Global Agreement and the Schedules to this Agreement.
- (b) The Planning and Monitoring Committee shall undertake the following functions:
 - i) the exchange of data, research, survey results and any other information relevant to the determination of social housing needs and market conditions;
 - ii) the recommendation by geographic areas within the Yukon of the need by priority groups for new or acquired housing, rent supplement assistance and renovation assistance and of the need for special purpose accommodation, and the development of the most appropriate strategy to address those needs;
 - iii) the recommendation of a proposed level of annual activity over the three-year period, in each geographic area, for each program covered by this Agreement, taking into account the identified needs, the activities in prior years of the plan,

social housing programs of either party not covered by this Agreement, and factors affecting delivery capability;

- iv) for the Native component of Rural and Native Housing Programs, the functions identified in (i) to (iii) above shall be undertaken by the RNH Tripartite Management Committee and the results incorporated into the proposed three-year plan;
 - v) the forecasting of annual budgetary and non-budgetary requirements over the three-year period, for each program covered by this Agreement in a manner acceptable to the parties as outlined in Schedule A;
 - vi) the review of a proposed consolidated three-year plan covering each year of the planning period.
- (c) Members of the Planning and Monitoring Committee shall submit the proposed consolidated three-year plan to their respective agencies for required approvals.
- (d) CMHC and YHC, respectively, shall seek the necessary budgetary authorities on the basis of the approved three-year plan, and shall communicate receipt of authorized annual budget levels to the other party.
- (e) The approved three-year plan and annual budget authorities shall be appended to this Agreement as Schedule B and shall be updated annually.

(f) Members of the Planning and Monitoring Committee shall submit to their respective agencies for required approvals, any proposed major changes affecting allocations to client groups and geographic areas or any proposed increases to approved budgetary or non-budgetary requirements identified in the approved three-year plan. Changes to allocations among programs are subject to the provisions of Section 12 of this Agreement.

(g) The joint planning process shall be undertaken in accordance with the calendar contained in Schedule C.

8. INFORMATION REQUIREMENTS

(a) The Active Party shall collect and make available to the other party all information, including financial requirements, necessary to ensure program objectives and accountability are met. This information will be provided at specified intervals, during the planning, delivery, commitment and post-commitment stages and for the duration of federal and provincial financial assistance to a project.

(b) The Active Party agrees to provide, from time to time, to the other party such additional information needed to enable both parties to be accountable for actions taken under the programs.

(c) The information requirements specific to individual programs are outlined in Schedule A.

9. EVALUATION

- (a) The parties may undertake, where possible, joint program evaluations, in accordance with the provisions of Subsection 4.5 of the Global Agreement.
- (b) Evaluations shall be undertaken for each program covered by this Agreement, on a cyclical basis at a minimum of three to five year intervals.
- (c) Program evaluations shall be undertaken to determine the continued need for programs, their effectiveness in meeting objectives, their results and impacts and alternative program design and delivery features.
- (d) Program evaluations shall be based on information available on an on-going basis, as outlined in Schedule A, as well as periodic surveys, research studies and other sources of data and analysis. Any such studies, when undertaken for joint evaluations, shall be cost-shared by the parties. Where evaluations are undertaken by one party individually, the parties shall cooperate fully with each other in collecting and sharing information.
- (e) In order to identify information requirements for program evaluations, the parties agree to develop plans for future evaluations, within six months of the signing of this Agreement.
- (f) Program evaluations undertaken jointly shall be done in accordance with the governing authorities of the parties' respective governments.

10. OPERATIONAL AUDITS

- (a) The parties shall undertake joint operational audits in accordance with the provisions of Sub-section 4.6 of the Global Agreement to determine whether the programs are being delivered and administered in accordance with the Global and Operating Agreements and the related guidelines.
- (b) Operational audit is an audit undertaken to assess the adequacy of management controls and processes; the propriety of transactions; the economy, efficiency and administrative effectiveness of delivery and administration systems; and the compliance by the Active Party to the terms and conditions of the agreements and program guidelines.
- (c) Operational audits shall be undertaken for each program covered by this Agreement on a cyclical basis within a four-year period.
- (d) The scope, timing, resources and cost-sharing arrangements for operational audits shall be mutually agreed upon.
- (e) The operational audits shall not duplicate other audits performed.
- (f) The parties agree to develop plans for the first cycle of operational audits within six months of the signing of this Agreement.

11. ALLOCATION

- (a) The allocation process shall be as outlined in Section 5.3 and Schedule 1 of the Global Agreement.
- (b) Over any three-year period no more than an average of ten percent (10%) of the Yukon's total allocation for the Non-Profit Housing, the Rural and Native Housing Homeownership and Rental, the Urban Native Non-Profit Housing and Rent Supplement Programs may be used for special purpose housing.
- (c) The remaining social housing allocation shall be distributed among the programs covered by this Agreement as specified in the approved three-year plan.
- (d) Taking into account those aspects of the planning process listed in clause 7(b)(iii), the Active Party shall assist families and senior citizens within the priority groups with the intent to direct this assistance in accordance with their share of Core Housing Need relative to each other.
- (e) Within the core housing need income limits, the number of units directed to households at the upper income levels shall not exceed their proportionate share of need.

12. REDISTRIBUTION OF FUNDS AND UNITS

Redistribution of funds or units among programs, but not between budgetary and non-budgetary allocations, may be made, subject to the following conditions:

- (a) The redistribution shall be permitted only with respect to the funds or units planned for year one of the three year plan as set out in Schedule B of this Agreement and consistent with the financial authorities of each party.
- (b) The Active Party may redistribute up to 10 percent of the allocation for those programs which it delivers and administers.
- (c) The Active Party shall notify the other party of any redistribution. Any redistribution which exceeds the limits specified must receive the prior approval of both parties.
- (d) CMHC shall take steps to review the existing controls over redistribution with the intent of providing increased flexibility.

13. INSURED LOANS

- (a) This section applies to the Non-Profit Housing Program for which financing is provided by approved lenders and insured by CMHC under Part I of the Act.
- (b) YHC shall be responsible, on behalf of CMHC, for the underwriting process for insuring loans provided by approved lenders, including site and plans examination, appraisal, cost estimates, determination of loan amount, and approval of financing terms and conditions.
- (c) YHC shall prepare a commitment letter to the lender for approval by CMHC. Where the commitment letter has been approved, CMHC shall issue to the lender an undertaking

to insure, upon receipt from YHC of a notice of commitment and submission by the approved lender of the required underwriting documentation.

- (d) YHC is responsible for authorizing all advances and undertaking inspections to ensure compliance with the plans and specifications and applicable building standards, and to determine the value of the work in place.
- (e) CMHC will issue an insurance policy to the approved lender upon notification by YHC that the loan is fully advanced and the Interest Adjustment Date has been set.
- (f) No application fees will be charged by CMHC or YHC and no premium will be due to CMHC for the underwriting and issuance of the insurance policy.
- (g) Claims by approved lenders on the Mortgage Insurance Fund will be processed by CMHC pursuant to the Act, the National Housing Loan Regulations and applicable guidelines in effect from time to time.
- (h) CMHC and YHC shall enter into an agreement regarding the cost-sharing of any costs which may be sustained by the Mortgage Insurance Fund. The agreement shall specify the terms and conditions for disposition of any properties acquired, based on the following cost-sharing principles:
 - i) YHC and CMHC shall share the costs related to that part of a project assisted by CMHC under this Agreement according to the cost-sharing arrangements for the program through which the project was assisted;

- ii) YHC shall assume all costs related to that part of a project not assisted by CMHC under this agreement.

14. NON-BUDGETARY COMMITMENTS AND EXPENDITURES

- (a) This section applies to the Proposal Development Funding for the Non-Profit Housing Program, for which non-budgetary expenditures are provided under Section 37.1, of the Act.
- (b) YHC and CMHC shall share eligible non-budgetary expenditures, in accordance with the provisions of Schedule A. The parties shall not share any non-budgetary expenditures which are not included in, or which are in excess of, eligible program costs, unless otherwise agreed to.
- (c) The Active Party shall approve commitments to incur non-budgetary expenditures and shall deliver to the other party a notice of commitment, on a mutually acceptable form, within thirty (30) days of the end of the month in which the commitment was made. Receipt of a notice of commitment shall be acknowledged within ten (10) working days of receipt.
- (d) Commitments shall be made at interest rates acceptable to both parties.
- (e) Prior to commitment of non-budgetary funds, the Active Party shall be responsible for reviewing applications and proposals to ensure compliance with criteria, as

outlined for each program in Schedule A. No acquisition, construction, or renovation shall be started before a commitment has been approved.

- (f) During the advancing phase, the Active Party shall be responsible for ensuring that appropriate controls are in place and that, prior to authorizing any advance, the necessary requirements, as outlined for each program in Schedule A, have been met.
- (g) The parties shall not commit non-budgetary funds in excess of approved annual budgets contained in Schedule B. Any proposed increases to non-budgetary allocations shall be submitted through the Planning and Monitoring Committee to the respective agencies for the required approvals.
- (h) The budget period for non-budgetary commitments is the calendar year. To the extent that non-budgetary expenditures are not committed by December 31, they shall lapse.
- (i) Current year commitments, including increases with respect to commitments made in previous years, shall be applied against the current year allocation.
- (j) Where a commitment is cancelled or decreased during the year in which it has been made, the related commitment authority shall be credited to the budget for that year. Cancellations or decreases of commitments approved in a prior year shall not alter the current year's budget. Each commitment increase, cancellation, or decrease shall be reported by the Active Party to the other party, on a mutually acceptable form.

- (k) The Active Party shall provide to the other party within five (5) working days following the end of the month a summary report of funds committed by program.

15. BUDGETARY COMMITMENTS AND EXPENDITURES

- (a) This section applies to budgetary commitments and eligible budgetary expenditures which shall be cost-shared by CMHC and YHC for each program, as set out in Schedule A.
- (b) The Active Party shall approve commitments to incur budgetary expenditures and shall deliver to the other party a notice of commitment on a mutually acceptable form. Where an insured loan is being sought, the notice of commitment shall be submitted to CMHC with the request for an undertaking to insure. Where an insured loan is not required, the Active Party shall deliver to the other party the notice of commitment within thirty (30) days of the end of the month in which the commitment was made. Receipt of a notice of commitment shall be acknowledged within ten (10) working days.
- (c) The parties shall not commit units or disburse amounts in excess of approved budgetary limits contained in Schedule B. Any proposed increases to budgetary allocations shall be submitted through the Planning and Monitoring Committee to the respective agencies for the required approvals.

- (d) The budget period for budgetary commitments is the calendar year and for budgetary expenditures is the fiscal year ended March 31. To the extent that units or budgetary commitments are not committed by December 31 and budgetary expenditures are not incurred by March 31, they shall lapse.
- (e) The parties shall not share any budgetary expenditures which are not included in, or which are in excess of, the eligible program costs outlined in Schedule A, or which are incurred prior to commitment, unless otherwise agreed to.
- (f) Current year commitments, including increases with respect to commitments made in previous years, shall be applied against the current year allocation.
- (g) Where a commitment is cancelled or decreased during the year in which it has been made, the related commitment authority may be credited to the budget for that year. Cancellations or decreases of commitments approved in a prior year shall not alter the current year's budget. Each commitment increase, cancellation, or decrease shall be reported by the Active Party to the other party on a mutually acceptable form.
- (h) Except in extenuating circumstances, each to be mutually agreed upon, commitments shall lapse if construction, acquisition or renovation of a project has not been started within six (6) months of the date of the notice of commitment or approved application.

- (i) Proceeds on the sale, demolition or destruction of assets under a program shall be shared in proportion to the share of budgetary expenditures for that program.
- (j) The Active Party shall report to the other party within five (5) working days following the end of the month a summary report of units or funds committed by program.

16. FINANCIAL REPORTING AND CLAIMS SETTLEMENT

- (a) The Active Party shall submit all claims for settlement relating to budgetary and non-budgetary expenditures, net of any monies received, on a monthly basis within thirty (30) days of the end of the month to which the disbursements/receipts relate.
- (b) The Active Party shall be reimbursed by the other party for financing interest on net expenditures, as specified in Schedule A, provided that an interim settlement is submitted no later than thirty (30) days after the month in which the Active Party incurred the expenditures.
- (c) The Active Party shall pay financing interest on the other party's share of budgetary and non-budgetary receipts in a manner as specified in Schedule A.
- (d) Interim and final settlements shall be submitted in the format specified in Schedule A or as mutually agreed by both parties.

- (e) All claims for settlement shall be certified by a senior financial officer of the Active Party.
- (f) The Active Party shall submit to the other party by April 30 of each year, a statement of budgetary expenditures incurred but not disbursed, as at the preceding March 31.
- (g) The Active Party shall submit to the other party, by September 30, an audited final statement of expenditures by program for the previous year ended March 31. Should this statement not be received by September 30, the other party may retain a holdback on current year claims equal to 5% of the claims paid for the previous fiscal year. Notwithstanding section 16(b), no financing interest will be payable on this holdback.
- (h) The final statement of expenditures shall be audited by an auditor acceptable to both parties.
- (i) The auditor of the final statement of expenditures shall state whether the audit was performed in accordance with generally accepted auditing standards, whether the statement presents fairly the expenditures by programs, and whether the expenditures were incurred in accordance with the financial terms and conditions of the Operating Agreement and program guidelines.

17. PUBLICITY REQUIREMENTS

CMHC and YHC will cooperate in the development and implementation of a program of public information and publicity respecting projects and programs funded pursuant to this Agreement that accurately reflects the respective roles and contributions of Canada and the Yukon, with all costs related thereto being jointly shared. Without limiting the generality of the foregoing, such program will require that:

- (a) unless otherwise agreed by both Parties, during the course of carrying out work on any project, YHC shall supply, erect and maintain a project sign specifying that the project is being financed by Canada and the Yukon;
- (b) unless otherwise agreed by both Parties, upon completion of work on each project, YHC shall supply, erect and maintain a sign or plaque to the effect set forth in clause (a);
- (c) YHC shall inform CMHC of the tentative date of any ceremony related to programs and projects funded under this agreement thirty (30) working days prior to such date and shall ensure the Ministers responsible for YHC and CMHC, the Chairman of the Board of YHC and the President of CMHC are invited to any ceremonies associated with such programs and projects. Ceremony dates are to be mutually agreed to by both parties within ten (10) working days of receipt by CMHC of notice of the tentative date. In certain instances, the aforesaid time periods may be reduced upon the consent of both parties;

- (d) the format and means of distribution of any announcements and/or notifications to sponsor groups and/or the public at large, relating to this Agreement or to programs and projects at the global and/or individual conditional unit or project allocation stages, proposal development funding loan commitment stages, project approval and commitment of subsidy assistance stages, undertaken pursuant hereto, shall be mutually agreed upon and arranged jointly. YHC shall provide to CMHC, for input and joint approval, drafts of such announcements and/or notifications fifteen (15) working days prior to release to all concerned recipients unless otherwise agreed by both parties;

For the purposes of the above,

- i) joint approval will not be required where previously mutually agreed formats of announcements/notifications are used; however, fifteen (15) working days advance notice must be provided by YHC to CMHC in order to provide all concerned recipients with appropriate notice period unless otherwise agreed by both parties;
 - ii) joint approval is required in all cases where previously mutually agreed to formats are not used;
- (e) any program information including signs, plaques, brochures, pamphlets, or other items of program information and cheques shall fully recognize the contribution of both Canada and the Yukon and shall have the prior approval of both parties. With respect to cheques, this requirement could be met if a letter or notice fully recognizing the contribution of each party accompanies each cheque;

(f) both parties recognize the appropriateness of providing publicity material, such as signs, plaques and announcements in both official languages.

Notwithstanding the above, and in order to ensure the anonymity as well as the respect of the clientele involved, CMHC and YHC may jointly agree to renounce any publicity.

Any matter of discussion between CMHC and YHC, related to public information and publicity initiatives, may be submitted to the Planning and Monitoring Committee.

18. TERMINATION

This Agreement shall automatically terminate in the event of, and on the same date as, termination of the Global Agreement subject to funding commitments and other arrangements made hereunder. Such termination shall not alter or terminate commitments, nor arrangements for the administration of occupied stock, made prior to termination of this Agreement.

19. AMENDMENT

The schedules hereto may be altered or deleted, or new schedules added from time to time by mutual agreement of the parties. Each party shall notify the other by April 1 of any given year of any proposed amendments to the schedules which may be implemented in the following calendar year.

20. PHASING-IN

Each program covered by this Agreement may be phased-in by arrangements mutually agreed upon between the parties hereto.

21. OTHER PROVISIONS

- (a) The Active Party will make or cause to be made available to the other party all documents, books, records and accounts pertaining to the cost of construction, acquisition, development, renovation and delivery and administration of a project relating to all programs covered by the Global Agreement, for the purposes of operational or financial auditing.
- (b) The parties will ensure that all documents, statements of charges, receipts and files pertaining to any project or program are safely kept as long as required by legal prescription, and in no case for less than seven (7) years.
- (c) Where the Active Party becomes aware of any irregularity or potential legal infraction in the delivery or administration of a program, it shall immediately inform the other party. The Active Party shall carry out all investigations and take all steps necessary to resolve the problem or irregularity, provided that, should the other party advise the Active Party of its desire to actively participate in such investigations or other actions, it shall be permitted to do so.
- (d) The parties are jointly responsible for all claims resulting from the application of both the Global and the Operating Agreements, provided that the Active Party shall indemnify and save the other party harmless from any claim, action, dispute or any other matter involving third parties arising from negligence on the part of the Active Party in the delivery and administration of programs and projects.

- (e) All construction activities carried out during the implementation of both the Global and Operating Agreements are to be carried out in compliance with the legislation, regulations and building codes and standards governing each respective level of government.
- (f) Wherever available, Canadian materials, products and human resources must be employed during the implementation of both the Global and the Operating Agreements. All ensuing contracts should be entered into in compliance with both the Canadian and Territorial laws relating to human rights.
- (g) This Agreement shall not be assigned or otherwise transferred by either party hereto.
- (h) In the event of conflict between any provision of this Agreement and any provision of the Global Agreement, the latter shall govern.
- (i) The Schedules hereto are an integral part of this Agreement.

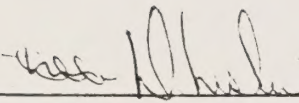
IN WITNESS WHEREOF, the parties hereto have set their hands and seals in execution of these presents.

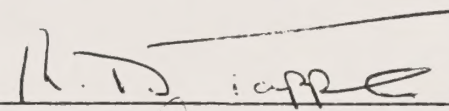
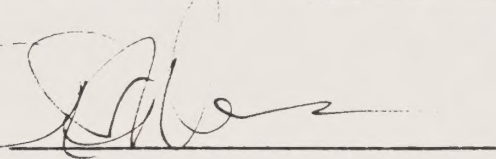
Signed at _____ this 22 day of July
nineteen hundred and eighty-six in quadruplicate.

WITNESSED BY:

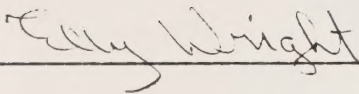
SIGNED BY:

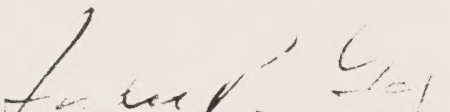
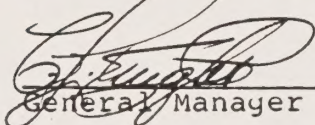
Canada Mortgage and
Housing Corporation



Yukon Housing Corporation




Chairman and Chief
Executive Officer

General Manager

SCHEDULE C

Calendar for Joint Planning Process

<u>Activity</u>	<u>Date</u>
1. YHC and CMHC exchange data and information on needs and market conditions by specified geographic area and notify each other of any proposed changes for the upcoming calendar year to the Operating Agreement, including the Schedules. Planning and Monitoring Committee meets to assess needs by program type for each specific geographic area	April 1
2. YHC submits report to CMHC on determination of need	May 15
3. CMHC advises YHC of tentative allocations for upcoming 3-year period	May 25
4. The Committee meets to review proposed level of annual activity by specific geographic area by client type over the three-year period, and to forecast annual budgetary and non-budgetary requirements over this period	June 1
5. YHC and CMHC each send an advance copy of their respective draft plans to the other for information	June 15
6. Committee meets to review draft consolidated three-year plan	July 1
7. Committee submits proposed plan to YHC and CMHC for approval	August 1
8. CMHC confirms the budgetary and non-budgetary allocations for year one of the three-year plan.	January 2